

Contracts-Checklists

Subject: Certification of Competitive Bid and Third Party Contract Procedures for Nonurban Public Transportation Agencies

Information:

- A. Effective October 1, 1998, the basic federal grant management rules and regulations for state and local governments are contained in 49 CFP Part 18, "Uniform Administrative Requirements for Grants and Cooperating Agreements to State and Local Governments." This management rule is called the "common rule" which allows the state greater flexibility in administering funds that are granted to the state to be passed through to subgrantees. The state has the option to adopt the Federal Transit Administration (FTA) procedures; use state procedures; or prepare new procedures for the subrecipients to use for their third-party contract and bid process. ("Bid" includes the term "offer" or "proposal" as used in the context of competitive proposal or noncompetitive negotiation.)
- B. At the July 27, 1998, meeting, the State Transportation Commission approved using the FTA review/certification procedures for third-party contracts and bids under FTA Circular 4220.1D for nonurban public transportation agencies. The following are exceptions:
 - 1. Each system must submit a copy of its bid and third-party contract procedures with their initial certification.
 - 2. Sole-source and single bid procurement over \$25,000 will require department review and approval.
 - 3. Departmental review and approval of bids and third-party contracts may be required within a specific contract.
- C. All competitive bids and third-party contracts for nonurban public transportation agency's facility projects over \$25,000 will require PTD approval.
- D. Any bid for service may be let for a period up to five years. The third-party contract must require that a new budget be prepared each year and the revised budget would become a part of the contract.
- E. The application for certification/recertification, bid and third-party contract procedures, are to be approved by resolution of the nonurban agency's board of governing body.

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Procedures for Nonurban Public Transportation Agencies

Action Needed:

- Submit the application for certification/recertification, transit agency's bid, and third-party contract procedures to Passenger Transportation Division project manager.
- Include Attachment A: NonUrban Transportation Agency Bid and
Third-Party Contract Procedures
Certification/Recertification Form
- When changes occur, or a minimum of every five years, whichever is sooner, each nonurban system certified under this procedure must submit a recertification statement and any amendments to its bid and third-party procedures.
- Any nonurban agency certified under this procedure will not be required to obtain department review and approval of third-party contracts, except as outlined in B.2 and B.3 above.

Contact: If you have any questions on this procedure, feel free to contact your project manager.

Approved:

Signed By: Kim Johnson

11/08/2002

Acting Division Administrator

Date

Attachment: Attachment A

PTD:PAS:PDU:GW

ATTACHMENT A

**NON URBAN PUBLIC TRANSPORTATION AGENCY
BID AND THIRD-PARTY CONTRACT PROCEDURES
CERTIFICATION _____ RECERTIFICATION _____
(Check Applicable One)**

APPLICATION

A. Agency Name: _____

B. Agency Address: _____

C. Agency Certification:

I, as the authorized official of the Agency listed above, hereby certify that _____
_____ bid and third-party contract procedures meets all the
(Agency Name)
requirements of the Federal Transit Association Circular 4220.1D and the procedures of the
Michigan Department of Transportation. The certification/recertification and bid procedures
(attached) have received _____ board or governing body
(Agency Name)
approval by resolution. (Copy Attached).

Executed this _____ day of _____, 20_____.

ATTEST:

BY:

Signature

Signature

Name

Name

Title and Organization

Title and Organization